

**Cochenour Willans Gold Mines,
Limited**

To the Shareholders of
Cochenour Willans Gold Mines, Limited

The Free Market price of Gold has ranged from \$65.00 per fine ounce up to \$70.00, within the past few months. Stabilization of a new price of Gold can be expected when it is, again, realistically related to the World Monetary system. At that time a feasibility study with respect to resumption of mining operations will be completed.

Meantime, flooding of the mine workings has been halted by a resumption of pumping at the 15th level, and a study of all diamond drill holes not investigated on the Cochenour, Wilmar and Annco is being made.

A program of deep diamond drilling will be underway in the later part of August to investigate the west area of the Cochenour Mine from a good positioned reef in Bruce Channel.

OUTSIDE EXPLORATION

Exploration programs are continuing including Geophysical surveys and diamond drilling in three areas: The Trout Bay Group, Cochenour Explorations Limited claim groups and in the Bamaji/Fry area. All programs except the Bamaji/Fry area are carried out under the Ontario Exploration Assistance program.

On behalf of the Board,

J. E. J. FAHLGREN,
President.

August 7, 1972
COCHENOUR, Ontario

Printed in Canada

File

**Cochenour Willans Gold Mines,
Limited**

and its subsidiaries

**ANNCO MINES LIMITED
WILMAR MINES LIMITED AND
COCHENOUR REALTY LIMITED**

INTERIM REPORT

**6
MONTHS
ENDED
June 30, 1972**

COCHENOUR WILLANS GOLD MINES, LIMITED

and its subsidiaries

ANNCO MINES LIMITED, WILMAR MINES LIMITED AND
COCHENOUR REALTY LIMITED

CONSOLIDATED STATEMENT OF INCOME

Six Months Ended June 30, 1972 — Unaudited

(With comparative figures for 1971)

	1972	1971
Tons Milled	—	51,627
Gold — Fine ounces produced	—	10,759
Bullion Revenue	\$ 653	\$ 404,059
Operating Expenses	75,126	640,259
Deduct estimated Emergency Gold Mining Assistance	—	115,883
	75,126	524,376
	(74,473)	(120,317)
Other Expenses		
Depreciation	36,000	67,320
Amortization of deferred development	—	78,719
Exploration and prospecting	62,221	31,881
	98,221	177,920
Deduct other income	20,767	475
	77,454	177,445
Loss before undernoted item	151,927	297,762
Losses of subsidiary companies applicable to minority interest	—	122,532
Loss for Period	<u>\$ 151,927</u>	<u>\$ 175,230</u>

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Six Months Ended June 30, 1972 — Unaudited

(With comparative figures for 1971)

	1972	1971
Source of Funds		
Interest Earned	\$ 4,264	\$ —
Proceeds from sale of fixed assets	135,685	45,876
	139,949	45,876
Application of Funds		
Operations		
Loss for period	151,927	175,230
Minority interest in loss of subsidiaries	—	122,532
	151,927	297,762
Deduct		
Depreciation	36,000	67,320
Amortization of deferred development	—	78,719
	36,000	146,039
	115,927	151,723
Advances to unconsolidated subsidiaries	5,526	3,540
Bamaji Project and Touchdown Syndicate	8,099	14,166
	129,552	169,429
Increase (Decrease) in Working Capital	10,397	(123,553)
Working Capital at Beginning of Period	647,479	108,190
Working Capital (Deficiency) at End of Period	<u>\$ 657,876</u>	<u>(\$ 15,363)</u>